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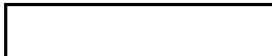
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30 December 1960

MEMORANDUM FOR: The Comptroller

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ATTENTION:



SUBJECT: Comments on the Report of the Financial Advisory Committee

1. The Report of the Financial Advisory Committee has been reviewed by the offices of the DD/I and, in general, no serious obstacle to the implementation of this proposal is anticipated. However, a few questions of a more or less procedural nature were raised and probably should be considered by the Comptroller or the FAC. Briefly, these are:

a) While the use of sub-object codes prescribed in Comptroller Instruction #24 to classify allotment expenditures is undoubtedly necessary, the value, justification, and need for breaking down an operating budget submittal into each of the many sub-object classifications prescribed is debatable (conceivably impossible) at least for those object classes where obligations and costs are considered synonymous. For budgeting purposes which sub-object classes are needed and which are not should be examined.

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b) OCR procures books and publications under object classes 700, 800 and 900. Object class 600 occasionally enters the picture if reproduction of copies is required. Certain bookkeeping changes and simplification of budget accounting procedures will be necessary to avoid the placing of an extraordinary liaison burden on the offices. We visualize no reason why this cannot be worked out but merely call your attention to the fact that it must be considered.

c) Similarly, the use of cost authority during the budget year by the operating components must be processed within no more than one object class and the obligating of cost authority probably should be handled on a monthly or quarterly reporting basis to avoid the need for excessive paperwork and "massaging" of requisitions for each "154" item ordered.

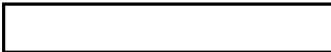
d) It will be necessary for the Office of Operations to submit division level budgets as always at least until a review of the entire DD/I budget support process has been made. This is contemplated soon after the DD/I move to the

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new building. (We see no need to change the instructions on office-level budgets because of this.)

e) If the 1 May date for the submission of operating cost budget and preliminary cost estimates is to be adhered to, timeliness on the part of the Comptroller's Office in issuing applicable instructions, financial reports and data will be essential. All the necessary data for budget presentation, including the listing of personnel services, must be in the hands of the operating offices NLT three weeks before the due date. Some of the information, as e.g., the actual costs FY (Past Year/1), could be issued many weeks before this.

  
Office of the DD/L.

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